

Economic Crisis in France Intensifies

Doumergue Government Adopts Deflationary Policies in Effort to Improve Conditions

PARLIAMENT OPENS THIS MONTH

Premier to Urge Political Reforms to Render Government More Stable

The atmosphere is tense in France this month. The country is seething with unrest and dissatisfaction. Like the rest of the world it is suffering the ills of depression and the situation is made worse by the fact of political instability. Lack of confidence in the government is so widespread as to threaten violence and possible revolution. There were serious riots last spring, followed by a political truce which continued through the summer. But discontent has grown with the months, suspicions have been sharpened, factions have become more embittered. Now the political troubles are coming to a head as the Chamber of Deputies, which has been in recess during the summer, comes back into session this month. The French crisis may be better understood if we keep in mind, first, the business troubles of the French people, and second, the political unrest.

We need not stop long to discuss the economic situation in France. It is similar to that with which we are so familiar in our own country. Production has fallen off, foreign trade has declined, many people are unemployed, incomes are low, purchasing power has therefore decreased, the demand for goods is light, and so production and employment are not stimulated. How is the government to handle a situation of that kind? Two conflicting points of view have developed as to what the government should do, and it is interesting to observe that the two different programs are similar to the two programs advocated in this country.

Dealing With Depression

One view, advocated both in this country and in France, has been that the government should, so far as possible, keep hands off, that it should allow business to take care of itself, that government expenses should be cut to the minimum, that it should spend no more than it could collect; in other words, that the budget should be balanced. It has been argued that this policy would keep the credit of the nation good, it would prevent fears of inflation, it would restore confidence and create a condition under which, after a while, business might get on its own feet. It will be remembered that such was the program followed in the main by the Hoover administration.

Those who supported this policy in France insisted that the salaries of government employees be cut, that pensions and other aids to the war veterans should be reduced, that all government expenditures should be lowered. President Roosevelt followed a course similar to that when he pushed through the Economy Bill during the first days of his administration. This act cut salaries of government employees and reduced the payments to veterans. The Roosevelt administration, however, carried on a program of heavy expenditures in other ways.

(Concluded on page 6)



PARIS—"PONT NEUF"

Illustration from "My Paris" by Arthur Kingsland Griggs

Mental Housecleaning

The suggestion has been made that everyone should go over all of his belongings now and then and destroy everything which is neither useful nor beautiful. If we should do that we would find plenty to destroy, for, even in the tidiest home, articles of little worth or beauty have a way of accumulating. Closets and attics and out-of-the-way corners do get cluttered with trash, which tends to accumulate, in part merely through our negligence, and in part because of our disinclination to disturb that which has become, in a way, hallowed with age. So we do need to renovate the premises now and then. We do need to resort at times to an old-fashioned housecleaning.

The necessity for renovation is even more marked when we are dealing with the house of the mind. We all live in mental houses that are more or less cluttered. Ideas which once seemed beautiful but which are now outgrown do linger on. The petulance of childhood, which in the man or woman seems as out of place and indefensible as the garments of infancy, does show up too often, advertising the fact that the adult is clinging to one of the possessions of babyhood. And prejudices which never did have any use, have grown ugly and disagreeable and yet there they lie, in the corners of our minds, hampering our movements, and keeping us from efficiency in our thinking.

It would not do for us to become too introspective, turning our thoughts always upon our own minds. That would make us morbid and unnatural. But it would be a good thing if each one were to engage fairly often in a bit of mental housecleaning. A good many habits, ideas, ways of thinking, might well be brushed away. Peculiarly out of place in a well-ordered mind are the political prejudices which so many people carry around with them. When one is young he acquires an emotional attachment to a certain party name, an antipathy to another. Reason, argument, fact, do not enter into the selection. Yet the choice is made, and, unless one is unusually critical of his likes and dislikes, this childhood choice may determine his position on problems which closely affect him throughout his life.

But probably the rubbish which most needs to be cleaned out of the ordinary mind is more personal in nature. There are little inefficient habits of study and of work which should be swept aside. There are irritating mannerisms which should be corrected. There are disagreeable traits of personality which interfere with one's social relations. Our mental houses need frequent airings and occasional overhauls in order that our work and play and association may be carried on in a wholesome atmosphere; that our lives may be spent in an environment conducive to happiness and success.

Advance in World Recovery Is Noted

Japan and Great Britain Rise Above Pre-depression Level of Industrial Production

BUT OTHER COUNTRIES LAGGING

Failure of Employment Rise and World Trade Stagnation Bad Signs

Are times growing better; permanently better? Are we at last on the road to recovery? What may we expect during the coming months? We all want to know the answers to these questions, but they are tough questions to answer. We cannot tell for sure how things are going by observing conditions in our own communities. As we look about we may find that certain of our acquaintances who were out of work have found places, while others have lost positions. Perhaps, on the whole, conditions may seem better in our own localities, but how are they elsewhere? What is the trend throughout the country? We cannot depend upon our own observations to answer these questions. We must examine figures which take the nation into account.

But that is not an easy thing to do. Exact and trustworthy figures showing the quantity of production of different kinds of goods are not available. Neither do we have dependable facts as to the amount of unemployment. And the figures we do find may seem contradictory—improvement here and further declines there. The person who is untrained in the interpretation of business statistics does not know what the figures indicate when he sees them. He must rely upon specialists in business trends to tell him what they mean. These specialists often disagree—the indications are so complex; the forces affecting business are so many and so obscure. The guesses of the experts have been wrong as often as they have been right during the years of depression.

All these facts must be borne in mind when we seek an answer to the question as to how things are going in the world of business. We should understand at the outset that we cannot expect to find out to a certainty. There are facts, however, which are generally agreed upon, and it is worth while to study them. That will help us to see more clearly which direction economic trends are taking.

Nations Move Together

One certain fact is that, as a usual thing, the nations go up or down together. That has been true nearly all the time during the last century. If we find that, during certain years, the people of the United States have prospered, we are likely to find also that conditions have been satisfactory in England, France, Germany and the other industrial nations. When depression strikes, it usually covers the whole industrial world. There are exceptions to this rule. Business was bad in England all through the 1920's when it was booming in the United States. But as a general thing the forces determining the state of business are world wide and affect all the nations. There may be stops and starts here and there, but the broad movement, either upward or downward, is likely to be apparent in many nations at the same

(Concluded on page 7)

Notes From the News

New Deal the Issue as Election Nears; A.F. of L.'s Annual Convention; Supreme Court Convenes; Relief Controversy; More College Students

AS election day approached the New Deal gradually stood out above all other questions as the issue around which the political battle of 1934 is to be won or lost.

Republicans, led by Herbert Hoover with his "Challenge to Liberty" book, have chosen to concentrate their assault on the New Deal. His former co-workers, Ogden Mills and Col. Theodore Roosevelt, Jr., advanced to the attack of this "tool of tyrants" and its "despotic rule," while Senator Borah of Idaho called on J. P. Shouse's new Liberty League to defend economic freedom as well as personal liberty. Chairman Fletcher of the Republican National Committee charged the New Deal with draining private credit to finance itself, while the Republican Senatorial and Congressional Committee pointed at the increase of the public debt from \$20,584,000,000 to an estimated \$30,000,000,000 by the end of the present fiscal year.

Democrats accepted the issue and replied to criticism by praising the New Deal. Postmaster General Farley lauded it throughout the Northwest. The main

and increased wages. Labor, it was said, does not have proper representation in code enforcement, and violations of the spirit of the codes are quite general. The number of unemployed was set at 10,500,000, of whom 2,000,000 are at present cared for by government projects. President William Green found dissension in the ranks of the federation which he strove to pacify. One group known as the rank and file attacked Green for his conciliatory attitude toward the San Francisco strike, and moved to form a labor program of its own. Another problem was the refusal of the building trades department to readmit the three large international unions of carpenters, bricklayers and electrical workers. President Green predicted that the A. F. of L. would point the way out of the country's unemployment situation.

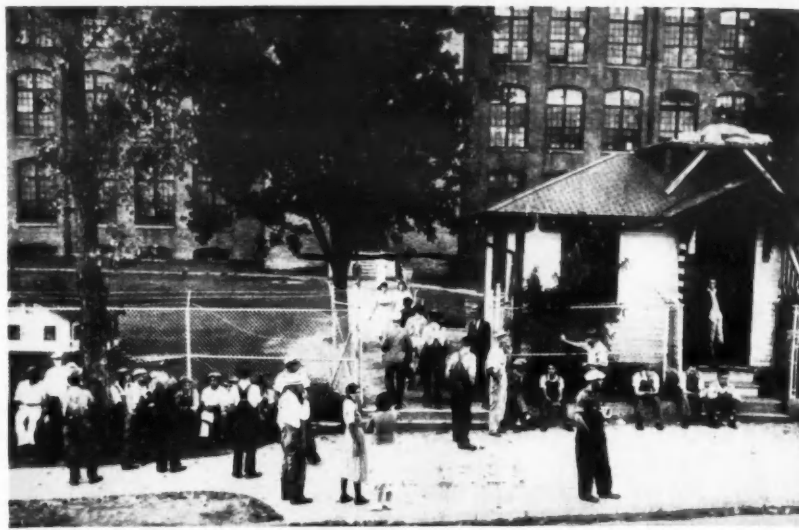
United States Supreme Court Considers New Deal Cases

On the first of October the nine justices of the Supreme Court led by Chief Justice Hughes made their customary call on the president and then returned to the Capitol to open a court term expected to be one of the most important since the early, formative days of the republic. Five cases affecting the New Deal were ready for the court's revision, and a score or more of such cases are on their way from the circuit courts of appeal. Among the first is the contention of oil producers that forced limitation of production is unconstitutional. Several cases attack the constitutionality of the government's seizure of gold and gold devaluation. It was suggested that Justice Brandeis withdraw from consideration of cases involving the NRA because of General Johnson's recent statement that as head of that administration he had been in constant touch with the justice. Such withdrawal, however, might produce deadlocks among the eight remaining justices.

Other cases that stand out prominently among the 431 on the docket are: Suit for \$500,000 libel brought against Senator Long of Louisiana by Samuel T. Ansell, former counsel for the Senate Elections Committee; the attempt of Al Capone, Chicago gangster, to win release from prison, and cases involving cancellation of air mail contracts last winter by the postmaster general.

States Shirking Their Duty in Relief, Hopkins Charges

States are shirking their relief duties and "passing the buck" to the government, according to Harry L. Hopkins, relief administrator, who threatened withdrawal of federal funds. "The sense of public serv-



DISSATISFACTION CONTINUES ON THE TEXTILE FRONT
Labor protests that all strikers are not being permitted to return to work. Scene outside a mill in Gastonia, North Carolina, showing workers waiting outside the gate. It is alleged that they were blacklisted by the company for their activities during the strike.

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The Governmental Record

The President: Spoke over the radio to the people of the country. He asked for an armistice between capital and labor to give the newly reorganized National Recovery Administration time to work out a program of legislation which will permanently safeguard the rights of both groups. He pointed out also that machinery for new methods of adjustment of disputes has been set up and that it should be given a fair trial.

National Recovery Administration: General Hugh S. Johnson's resignation was accepted. The administrator was replaced by a five-man National Industrial Recovery Board, to be known as NIRB. A policy board was also appointed, headed by Donald Richberg, former general counsel for the NRA. These two boards will head the administrative and legislative divisions, respectively. The president is still considering the judicial division in accordance with the plan that the NRA be divided into three divisions—legislative, executive and judicial.

Public Works Administration: Began tearing down slum dwellings in Atlanta, Georgia, to make way for a new housing project. This is the first time in the history of the country that the federal government has gone into a city in response to pleas for help from its people to aid in cleaning up a slum. It will not be the last time, however; thirty-six other cities are on the list. Progress is reported on similar housing projects for Chicago, New York, Indianapolis and Montgomery, Alabama.

Federal Communications Commission: Began hearings on the question of how much time radio stations should devote to educational and other non-commercial programs on which they make no profit. A report will be made to the next Congress containing recommendations for legislation on this subject.

Post Office Department: Moved \$70,000,000 in gold bars from the mint in San Francisco to Denver. This was the first installment of a \$2,000,000,000 shipment. The gold is sent by ordinary mail in canvas sacks. The postage for the complete transfer will amount to about \$360,000.

National Labor Relations Board: Held an election of employees of the Kohler Company of Kohler, Wis., for a collective bargaining agency. The election resulted in 1,053 votes for the company union and 643 votes for the American Federation of Labor union. The American Federation may refuse to abide by this election and appeal to the board.

Senate: Munitions Committee postponed further hearings until December in order to have time to go over the evidence which it has already heard. Senator Nye, chairman, announced that at the next session of Congress he will push a bill providing confiscatory federal income taxes during time of war. This would be a step in the direction of removing the profits from war-making.

Agricultural Adjustment Administration: Started taking a vote among the farmers on the question of crop control. The administration is trying to find out if the farmers want the corn and hog adjustment program continued another year, if they want a single contract for all their crops, and if the cotton planters want the Bankhead Cotton Control Act continued. The provisions of the Bankhead Act will be enforced throughout this year, but the allowable quotas are increased ten per cent.

Department of Commerce: Reports that exports for August were \$171,965,000. That figure is the highest for the month, and also the first gain for the month, since 1930. The increase is \$10,000,000 over July and \$40,000,000 over a year ago.



—Bart in LABOR
HE DOESN'T WANT "MUCH"

Last week we explained in THE AMERICAN OBSERVER (page seven) the Chamber of Commerce plan of a substitute for the NRA. Here is a labor view of the Chamber of Commerce idea. The cartoon appeared in the official organ of the railway labor unions.

defense was made, however, by the president himself by radio. Declaring it had put more than 4,000,000 men back to work he said it would continue its task of "reviving private enterprise" under its reorganization. He sought to allay the fears of business, and promised to hold conferences with both capital and labor. Admitted imperfections are to be corrected and the sound parts of the New Deal, the president indicated, should be made permanent.

More Students Enter Colleges; Federal Relief for the Needy

Students in increased numbers are flocking to American colleges. Registrations for the month of September this year showed a growth of ten per cent over those for the corresponding period of last year. It was in the West that the largest gains were made, which was attributed in large measure to the upswing in farm prices. New interest was especially noted in the agricultural courses. While unemployment, or lack of lucrative work, explained the presence of many, the largest factor in the increased enrollment was attributed to the federal relief funds made available to needy students.

American Federation of Labor Criticizes Working of NRA

At the annual convention of the American Federation of Labor in San Francisco—the city which was recently in the fierce grip of labor troubles—a hostile attitude was taken toward the operation of the NRA. Codes should be reopened, declared the executive council, to bring about the original purposes of the act, reemployment



THREE DEMOCRATIC GENTLEMEN OF NEW YORK
Alfred E. Smith, Governor Herbert Lehman and Postmaster General James A. Farley confer confidentially prior to the opening of the recent Democratic state convention.

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AROUND THE WORLD

Poland: Further light was thrown on the much-heralded "friendship" of Poland and Germany last week when the Polish government, through its representative at the League of Nations in Geneva, made public its views on the Franco-Russian proposal for an Eastern Locarno. For months, the French and Russians, with the moral support of the British, have been trying to get the countries in northeastern Europe to sign a series of treaties pledging themselves not to attack each other and promising aid to whatever country becomes the victim of aggression. Only a short time ago, Germany turned thumbs down, on the proposition, claiming that it would nail down on her more solidly than ever the provisions of that hated document, the Versailles Treaty.

Now Poland has taken essentially the same position. The Polish diplomat at Geneva did not flatly reject the Eastern Locarno plan, but couched the reply of his government in such terms as to indicate that there is no chance whatever of his country's coming into the fold. Poland said, for example, that she could not accept the pact unless Germany accepted, which means that she cannot accept at all since Germany has refused. Several other references were made to Germany in the Polish note, indicating that the two countries are moving somewhat closer together than they have been. Pertinax, one of France's most astute political commentators, considers this latest decision of Warsaw highly significant, saying that "Poland seems finally to have parted with the national states created in 1918 at the same time she herself was raised from the grave."

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Geneva: Disarmament, for months in a state of coma, has at last suffered an inglorious and undramatic death and the diplomats at Geneva are preparing to give it as graceful and distinguished a burial as is possible under the circumstances. For more than two and a half years the nations of the world, including our own, have been trying to agree upon a formula for the reduction of armaments all around. Their efforts began with a great fanfare in February, 1932, when the World Disarmament Conference opened its doors in the Swiss metropolis. But as dozens of schemes were duly proposed and scrapped, literally torn limb from limb by the objectors, it became apparent that practically nothing could be accomplished. Even that great idealist and president of the world parley, Arthur Henderson, now admits that the disarmament idea is dead.

The principal cause for the complete collapse of the disarmament conference is, of course, the failure of France and Germany to get together. France does not trust Germany and fears that even if Hitler should accept an arms reduction plan it would mean little or nothing. And the tactless performance of the German government during the last year has thrown many other nations over to the French camp because they, too, have come to fear the Germans. Henceforth the nations will try to preserve the peace by means of security treaties rather than by a reduction of weapons of warfare. They will attempt to cement around Germany an air-tight wall of mutual assistance pacts in order to render her impotent.

While most of the political leaders at Geneva would prefer letting the disarmament conference pass peaceably into oblivion, Maxim Litvinoff, now a full-fledged delegate to the League, wants all the cards laid on the table. The Russian leader's position is that if the disarmament conference is dead, it is better frankly to admit as much, to outline publicly the causes

of its failure, and to give it a decent burial, than it is to sneak out in the still of the night and dispose of its remains in an underhanded manner. He has proposed that Arthur Henderson draw up a report to be presented to the next session of the League Council, so that the Council can decide what it wants to do, if anything, to prevent future wars.

Before this session of the League Assembly closed, it added three new members to its already imposing roll. Following So-



GETTING IN STEP AT LAST
—Carmack in CHRISTIAN SCIENCE MONITOR

viet Russia came Afghanistan from Central Asia, and upon the heels of the Afghans came Ecuador, intended to be one of the original members, but remaining outside the League because of her failure to ratify the Versailles Treaty. Now Ecuador has ratified the League Covenant, or constitution, which is regarded as sufficient to make her a League member.

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Italy: There is no place for the bachelor or the spinster in Italy these days, and Mussolini is giving the timid souls of marriageable age a gentle push. As for the men, they will have to prove that they intend taking unto themselves a bride before they can receive employment with the government. If they are already in the service of the state they are going to have a hard time of it to hold their jobs unless they bestir themselves to seek out a spouse. Already a number of Italian mayors have been eased out by Mussolini because they insisted upon remaining single.

Similar pressure will be brought to bear on the maids. Italian industries are slowly ousting female workers from their jobs. The Export Institute has dislodged all women stenographers and clerks, and has filled their places with men. Certain divisions of the textile industry have ordered that thirty per cent of the workers must be men, whereas the industry is now composed of practically all female workers, only ten per cent being men. It looks like a choice between matrimony and starvation in the land of the Black Shirts.

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Japan: It is now clear that Japan has won a complete and decisive victory over the League of Nations with regard to Manchoukuo and China. Two events took place at the recent meeting of the League Assembly and Council which show how badly Geneva has been defeated. China failed to be reelected to the Council, a position she had hoped to retain in order more effectively to keep Far Eastern issues before the League. But her Council seat was given to another nation and now she must be content with nothing more than representation on the Assembly which meets but once a year.

The second event is even more revealing and ties up with Japan's curt enuncia-

tion of a "hands-off policy" toward China last spring. One of the principal reasons behind Japan's warning to the world involved the League's plans for assistance in the reconstruction of China. This work had been going on under the able direction of Dr. Ludwig Rajchman, director of the League's health section. Dr. Rajchman, at the time of the Japanese protest, was returning to Geneva with a carefully prepared report on conditions in China and definite suggestions for the increase of international aid through the medium of the League. But the League, taking heed of Japanese opposition, has not pressed this report, and now, we hear that the resignation of Dr. Rajchman as agent of the League's China committee has been accepted. He will return to the health section.

Dispatches from Geneva stress the fact that the League has no intention of giving up its China program, but that Dr. Rajchman's resignation has been accepted in the interest of international harmony (Japan has long been trying to have him ousted). But whether the League actually carries out this intention remains to be seen.

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Spain: The cabinet of Premier Ricardo Samper resigned on October 1 and the Spanish republic was brought face to face with the gravest crisis since its establishment in 1931. The fate of parliamentary government hung in the balance.

The situation in Spain was brought to a head by the meeting of the Cortes. This body, since the special election last December, has been dominated by the Conservative and Catholic element which is bitterly opposed to the semi-socialistic reforms inaugurated under Azaña during the early days of the republic. But despite the conservative character of the Cortes Spain has not been under a wholly conservative cabinet. A minority cabinet of generally moderate leanings has been in office, first under Alejandro Lerroux and then under Ricardo Samper. This was done because it was feared that if the government were delivered wholly to the conservatives civil war might break out in Spain. The Socialists have taken such a hostile attitude toward the government, over which they formerly wielded so much influence, that on many occasions an outbreak has seemed imminent.

But the compromise, of course, could not be lasting. When the Cortes met again on the first of this month it was immediately challenged by Jose Maria Gil Robles, head of the Catholic popular action and one of the strongest leaders on the conservative side. Señor Robles criticized the cabinet for its weakness in dealing with the rebellious province of Catalonia. This at-

tack was enough to provoke the cabinet's resignation.

The resignation left President Zamora to cope with almost an impossible situation. He could turn the government over to the conservatives, but that might mean civil war. He could dissolve the Cortes and call a new election but the Socialists declared they would not participate in another election. This also might mean civil war. Finally, he could try for a compromise coalition cabinet representing both left and right but such a solution would probably prove both difficult and impermanent.

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Rumania: The sudden displeasure of Foreign Minister Titulescu brought about the resignation of Premier Tatarescu's cabinet on October 1. Rumania's able foreign minister is the leader of that school of opinion in the country which believes that it is wise to follow the leadership of France. Another school advocates sympathy toward Germany. King Carol, himself a Hohenzollern, is said to favor this latter group but is not strong enough to cross the immensely popular Titulescu.

Recently Titulescu has been more than annoyed with the king. Carol is reported to have been unwilling to follow the precise course of cooperation with France advised by Titulescu in view of growing friendship between Poland and Germany. But whether this actually led to Titulescu's decision to cause the cabinet's resignation is not known. At any rate, Titulescu, who was sojourning in Switzerland, seized the pretext that Premier Tatarescu had visited abroad without first consulting him and telegraphed his resignation. The premier immediately wired back professing strict loyalty to the policies of Titulescu.

Tatarescu was then instructed to form a new cabinet. It will probably include most of the members of the old one, including Titulescu, who continues to be the most powerful figure in Rumania and who, apparently, can discipline a king and a cabinet when he sees fit.

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Cuba: The suspension of constitutional guarantees, equivalent to martial law and the deprivation of numerous personal liberties, has again been declared in Cuba. The decree affects Havana and Oriente provinces but will probably be extended to include other provinces. The government found it necessary to suspend the guarantees in order to cope with increasing radical disorders in the two provinces named. The last order of suspension, declared in January of this year when Mendieta took office, expired on September 5. Thus, Cuba has enjoyed only a brief respite from governmental policing.



MARKET DAY IN WALKOWISK, POLAND

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You and Your Community

By Walter E. Myer

WE CANNOT depend altogether upon good governmental machinery in our effort to secure better government. The quality of the citizenship counts for a great deal. If voters are well informed and alert and if officials are honest and public spirited, fairly good results will be seen even though the political forms are quite defective. If, on the other hand, citizens are ignorant or indifferent and if officials are untrustworthy, the people will be badly governed however perfect their constitutional systems may be.

But while the governmental machinery doesn't count for everything, it does mean a great deal. Many of the great advances in the history of human progress have been marked by changes in governmental forms. Some of our great reformers have spent their lives in efforts to perfect political machinery. They have fought, for example, to change the council form of city government to the manager form. Demands are being made for the establishment of larger county units so as to avoid waste and inefficiency. A number of other governmental changes, good or bad, are being advocated at the present time.

SENATOR NORRIS of Nebraska has devoted much of his energies to the perfecting of governmental machinery. He accomplished a noteworthy feat in the operation he performed not long ago on the national government. He was the author of the "Lame Duck" Amendment, which provides that members of Congress shall take their seats and begin their duties two months after they are elected instead of thirteen months. This amendment does away with the practice by which members who had been defeated in November, still served during a session of Congress beginning in December following the election and lasting until March.

The Nebraska senator is not through with the federal Constitution yet. He is pushing another amendment, which abolishes the electoral college in the election of the president and vice-president. But just at this moment Senator Norris is busily engaged with a plan to change his state government, and his plan is one which may well command the attention of students of government everywhere. He is trying to convince the people of his state that a one-house legislature could function more efficiently than the present system of two houses. His arguments are to this effect:

A bicameral, or two-house legislature, is cumbersome and unwieldy. Moreover, it permits the dodging of responsibility. For example, the public sometimes wants a law enacted which the legislative leaders secretly oppose. They do not want outwardly to turn down a bill and lose favor among voters. So they have a different bill introduced and passed in each house. The two bills, of course, then have to go to a conference committee, under the control of the leaders. It is arranged in advance that no agreement shall be reached by the conference committee, and the bill thus dies a planned death. The voters know not where to place the blame, since both houses approved the legislation in general form.

A unicameral, or one-house legislature, says Senator Norris, would prevent the leaders from dodging responsibility in this manner. They would have to meet issues squarely, voting either for or against them. At the same time, he points out, the governor's power of veto would

act as a check against the hasty passage of undesirable legislation. He further contends that with only one chamber there would be fewer legislators and the state could pay them better salaries, thus attracting more competent candidates. The senator points to the satisfactory results obtained by single chambers in several Canadian provinces, in Switzerland, and in other countries, to say nothing of American cities which long ago abandoned the two-chamber system for their councils.

THE fact that no state in the Union has yet been won over to this idea shows the difficult task before Mr. Norris in Nebraska. The bicameral system is strongly entrenched in the American mind. We have always had it. The colonies patterned this system after the English model. In England this system evolved naturally. There were as a matter of fact two sharp divisions among the people. There were nobles and common, untitled people. At first only the nobles, the lords, came together in a legislative body. Representatives of the people after a while gained the right to stand at the doors and observe what the lords were doing. Eventually they were given a body of their own. There were then two houses in the English legislature or parliament, a House of Lords and a House of Commons. Other nations patterned after this "Mother of Parliaments."



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SEN. NORRIS

representation, with a few exceptions, for both upper and lower houses.

THE fact is, then, that we have the two-house system of legislatures by historical accident. Most people have forgotten, if they ever knew, why we have the bicameral system. If asked to defend it they find reasons; they rationalize it. The most common defense is that made famous by Benjamin Franklin, who, to illustrate his point, poured tea from a cup into a saucer, and observing the tea cooling more rapidly, explained that a two-house system had the same advantage that a cup and saucer had in the case of tea; passage through two houses gave hot legislation time to cool. One house, it is argued, acts as a check upon the other, preventing the enactment of harmful legislation. Claudius Johnson, discussing the subject in his book, "Government in the United States," gives it as his opinion that this argument for the two-house plan is not well founded. He says:

Some studies have been made of the working of the bicameral principle, and these do not show that the two houses effectively check each other, except perhaps in a few states. True, a number of bills passed by one house are killed in the other; but the killing is usually indiscriminate. It is true, also, that one house amends many bills originating in the other; but, here again, the mending may be good, bad, or indifferent. Consideration by two houses often means only two hasty considerations, or simply a hasty consideration in the house in which a bill originates and the acceptance of its conclusions by the second house without any consideration. . . . It hardly seems desirable that the bicameral check, usually fictional, seldom a positive good, and on occasion mischievous, should be retained.

There is one practical and sensible objection to the establishment of the one-house legislature, and it is being raised by some of the Nebraska farmers. They hold to the present form, with its two houses and its large number of legislative members. As things now are the farmers of a particular neighborhood may feel that their interests are being represented. A few townships make up a legislative district. Their representative lives near them—is practically a neighbor. They can be influential in naming him. But if the number of legislators is cut down to a few, and if one house is abolished altogether, then the district in which they live may take in several counties. Perhaps there will be several large towns in it. May not these towns dominate and name the legislators? May not the farmers lose their influence over legislation? This is the most effective argument against the Norris plan in the rural sections. It avoids theory, and holds to a consideration of practical consequences. The strength of this argument as an influencer of votes casts doubt upon the outcome of the constitutional issue. This question will be determined in Nebraska at the general election next month. Senator Norris is barnstorming the state in the effort to gain public approval for the one-house legislature. Regardless of the outcome the senator has stimulated state-wide interest in his plan.



INTERMISSION

—Elderman in Washington Post

Something to Think About

1. Why should we inquire into the state of things throughout the world when looking into the question as to whether our country is on the road to recovery?
2. Do you think it would be possible for the United States to return to prosperity regardless of conditions in other parts of the world?
3. What is one indication that nations are better off than they were a year or so ago?
4. Why is there some doubt as to whether the recovery gains made thus far by various nations can be held?
5. Does it seem to be the world's productive machinery that is at fault or its distributive machinery?
6. Is the Doumergue government dealing with French economic problems in about the same manner that the Roosevelt administration is tackling our problems?
7. Compare the party situation in France with our two-party system.
8. What political reforms have been suggested by Premier Doumergue to render the French government more stable?
9. Does it seem that the Doumergue government has found the solution to France's economic problems?
10. If you were a citizen of Nebraska would you vote for or against Senator Norris' plan for a one-house legislature?
11. Why can it be said that Japan has decisively defeated the League with respect to China and Manchoukuo?

References: (a) United States and World Recovery. *Nation* September 19, 1934, pp. 316-318. (b) How Stable Is Recovery? *Nation*, September 12, 1934, pp. 291-293. (c) Paradoxes of World Recovery. *Foreign Policy Reports*, August 15, 1934. (d) Coalition Rule in France. *Current History*, April, 1934, pp. 93-96. France Changes Her Constitution. *American Mercury*, September, 1934, pp. 93-99.

PRONUNCIATIONS: Ricardo Samper (ree-car'do, o as in go, sam-pair'), Jose Maria Gil Robles (ho-say' mah-ree'a heel ro'blez, e as in met), Alejandro Lerroux (ah-lay-hahn'dro lay-rooks'), Tatarescu (tah-tah-res'koo), Titulescu tee-too-les'-koo), Doumergue (doo-mairg'), Rajchman (rahk'mahn).

The Indians must be one of those organized minorities that you hear about. In any event, they seem to have the power to compel any President to have his picture taken, anywhere.
—New York Sun



THE END OF THE TRAIL
—Brown in N. Y. HERALD-TRIBUNE

THE AMERICAN OBSERVER

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The Assistant President — The most powerful figure in the United States today, with the exception of the president, is Donald Richberg. Though he does not have the title, he is in effect an assistant president. As director of the Industrial Policy Committee it is his job to see that the various recovery agencies work in harmony—a thing they frequently have not done. His committee is authorized to deal with problems having to do with relief, public works, labor disputes and industrial recovery "together with the allied problems of agricultural recovery," and to "study and coordinate the handling of joint problems affecting these activities." It determines general policies of the NRA. This is a large order. It makes Mr. Richberg really the administrator of the New Deal.



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DONALD RICHBERG

This man who has risen within a few months to a place of such tremendous power was born in Tennessee fifty-three years ago. His early years were spent in Chicago where his father was a successful lawyer. He did his college work in the University of Chicago and had his professional training in the Harvard Law School. Since he grew up in a well-to-do family it might have been supposed that he would have been satisfied with social conditions as he found them. But he was not. He became a reformer—a progressive. He worked for changes which he thought would promote social justice. He took the side of labor in its controversies with employers. He fought the Insull interests, joined the "Bull Moosers" and campaigned for Theodore Roosevelt in 1912 and he was for La Follette in 1924.

Later Mr. Richberg became closely associated with the labor unions; was attorney for the railway labor unions and advocated the cause of labor before courts and legislative bodies.

Donald Richberg is not a Socialist, but he believes that business exists primarily to serve human beings rather than to make profits. He thinks that the government should regulate corporations whenever it is necessary in order to make sure that they will conform to the public interests. It is natural then that he should consider the NRA an agency for the establishment of minimum wages and the enforcement of rules which will protect the right of labor to organize rather than an agency whereby corporations may band together and fix the prices of their products.

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A Pilot in a Storm — Times of crisis and danger are frequently times also of bitter partisan strife. The people, not knowing which way to turn, fall to quarreling violently among themselves. When a

country finds itself in such a state it is most fortunate if it can turn to some leader who stands out above party strife; who commands the respect of all the people. Young America, in the dark days of revolution and confederacy, found such a man in George Washington.

The French people, in their present crisis, (see page one) have not a Washington to whom they may appeal, but they were able to turn last February to a man who, though not a great statesman, did meet the requirements of the occasion fairly well. Gaston Doumergue had been prime minister of France. He had been president of the republic. Then he had retired from office and from political controversy, carrying with him, to his village home, the good wishes of his fellow countrymen. Only three years ago, at the age of about seventy, he married a boyhood sweetheart and settled to quiet life in a villa down in southern France.

Then came the Paris riots last February. The people had lost confidence in the government. They were weary of the endless political controversies. Was there not a man somewhere who could rise above a party and give France a truly "national" administration? The answer was Gaston Doumergue. He was called back to take the leadership of a coalition cabinet, and the rioters went peacefully to their homes.

Doumergue has not worked miracles since he came into office last February. He has not put France on the road to recovery. His premiership may not turn out to be a triumph of economic statesmanship, but his stilling of the violent spirit of last winter will ever remain a triumph of character.

✱ ✱

Iowa Interpreted — Ruth Suckow holds up to view a section of the great American procession. She has written a novel, "The Folks" (New York: Farrar and Rinehart. \$3.00), which pictures the people of the Midwest—Iowa, to be specific. Such a work of fiction helps us all to understand each other; to know what the customs and ways of thinking are in different regions and among different classes of people. "The Folks" gives us glimpses of western village life, including family relations, the church, school, society.

Ruth Suckow should know her characters when she writes of the Middle West. She was born in Hawarden, Iowa, 42 years ago. Her father was a Congregational minister who moved from parish to parish. The daughter lived in a number of Iowa neighborhoods and became acquainted with the villages and larger towns. She attended college at Grinnell, in her native state, took a dramatic course in Boston and was later graduated at Denver University. She taught for a while then took

up bee culture and went into the bee business, running an apiary in Earlville, Iowa. She was married in 1929, and now lives in New York.

Miss Suckow has written several novels dealing with western life. Probably her best known is "The Odyssey of a Nice Girl," published in 1925. Her new book, "The Folks," is being well received by critics. The New York Times says: "As a realist of a certain sort Miss Suckow is almost unexcelled. She can picture a club meeting, a church social, a Rotarian picnic, with such graphic exactitude that one feels like a participant."

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An American Hero — On Sunday, September 30, thousands of people flocked to the Griffith Stadium in Washington to witness the passing of the greatest baseball player who ever picked up a bat. Babe Ruth

was playing his last game as a regular, and the thousands of men and women were paying their tributes to a man who had stood at the top in the job which was his. They liked baseball, of course. Some of them remembered occasions here and there scattered over a span of twenty years, upon which this great player had given them pleasure—furnished moments of excitement. But they liked not only baseball but excellence, and that is what "the Babe" has exhibited during all these years.

Twenty years ago George Herman Ruth joined the Boston Red Sox as a pitcher, and a winning pitcher he was. But Boston could not afford to keep him on the mound for he was too good with the bat. A pitcher participates in only a fourth or a fifth of the games. Ruth's team wanted his bat to swing every day, bringing the harvest of home runs for which he became famous. And so Ruth, working for Boston, then for the New York Yankees, made a home run record which is likely to stand for a long time. He became the "King of the Swat," the idol of sandlotters everywhere, an American hero. And so millions extend a figurative handshake this fall at the passing from the scene of this man who has contributed so richly to the liveliness of American life.

✱ ✱

Power Behind the Scenes — Rather frequently we read in the papers that Bernard Baruch has been called into

conference by the president. We read it just the other day. But that was not the first time. Nor was Franklin D. Roosevelt the first president to call upon "Barney" Baruch for advice. Woodrow Wilson made him head of the War Industries Board, the powerful organization that dominated the industrial life of the nation during the World War. Herbert Hoover consulted him

about the organization of the Reconstruction Finance Corporation. Baruch has, for years, been a power behind the scenes, advising, influencing public action. The anonymous author of "The New Dealers," a book of personality sketches on men prominent in Washington politics, says of Baruch:

Many men envy him. A self-made man from South Carolina, he made a fortune before he was thirty and he has been adding to it ever since. He was a big man during the World War and every president from Wilson on has consulted him. He is a power in Congress, where it is commonly rumored that he "owns" sixty senators and representatives. He has a fine physical appearance, tall and erect and handsome—truly one of the most distinguished-looking men in America—and his piercing black eyes gleam with the penetrating shrewdness which is peculiar to the Jews.

Mr. Baruch, though frequently consulted, has not been a power in the Roosevelt administration, since he is a conservative, and as such is out of sympathy with many of the Roosevelt policies. He made his fortune in Wall Street speculation, and, since the president is trying very hard to check such speculation, Baruch's position as a presidential adviser is somewhat embarrassing.

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We Recommend—

More Harbours of Memory. By William McFee. New York: Doubleday, Doran. \$2.50.

A series of stories of the sea, of ships, ports, men and women of different parts of the world. Partly imaginative, partly descriptive, partly autobiographical. These sketches are realistic as they well may be, since the author has spent his life on the sea. More than that, they are beautifully executed. With William McFee writing is, indeed, an art.

New Frontiers. By Henry A. Wallace. New York: Reynal and Hitchcock. \$2.00.

The secretary of agriculture writes in a clear, simple, straightforward style about the problems of American democracy; the selfish forces which exert so much influence; the need of a reassertion of the rights of the common people; the problems of tariff, money, speculation, agriculture, economic crises. He discusses the possibilities of improvement, the methods of progress. The book is informative, philosophical, provocative, inspiring.

Oliver Cromwell. By John Buchan. Boston: Houghton Mifflin. \$4.50.

A biography of one of the great and dramatic characters of history. Scholarly, yet interesting, thoughtful, interpretive. John Buchan is a writer of history, biography and of imaginative mystery stories. He puts into this life of Cromwell the arts learned in all these forms of expression. A valuable historical contribution.

Short History of the New Deal. By Louis Hacker. New York: F. S. Crofts. \$1.50.

Here, in brief space, is one of the best available studies of the Roosevelt recovery program. The facts are here, but that is not all. The facts, after all, are obtainable elsewhere. The most valuable contribution consists of the criticism and analysis of the various features of the program by one of the most competent and thoughtful of American historians.



GASTON DOUMERGUE



FROM THE JACKET DESIGN OF "MORE HARBORS OF MEMORY"

Political and Economic Issues Haunt France

(Concluded from page 1, column 1)

The other view advocated in France was that the government should increase rather than decrease its expenditures. The argument ran like this: The government need not balance its budget in such times as these. It can borrow money. It should spend this money on public works and in other ways so as to give jobs to people who are otherwise unemployed. If this is done, people will be able to spend more money, this will create a demand for goods, and eventually it will start the wheels of industry into motion. It will be noted that such is the policy which, in the main, has been adopted in the United States by the Roosevelt administration. There is, however, a sharp division of opinion in this country as to whether such a program is wise. The same sort of controversy has been raging in France for many months.

Government Is Weak

There is this important difference between the American and the French situations. We have a strong and stable government. When the Hoover administration was in power, it knew, and the whole country knew, that it would remain in office until the term for which it was elected expired. People might not like what it was doing, but it continued to operate just the same. Now the Roosevelt administration is in power, and everyone knows that whether they like it or not it will have a chance to continue with its policies until the end of its term.

In France, on the other hand, the administration; that is, the prime minister and his cabinet, must resign whenever one of their policies is voted down in parliament. Now it happens that in France there are not just two big parties as there are in this country, but fifteen or twenty parties, no one of which has a majority in parliament. No government (the term "government" in Europe means the same as "administration" in this country) can remain in power by any other means than by winning the support of several of these parties. That is a hard thing to do. A cabinet will go along for a while with a program that has the approval of two or three of the larger parties, and it stays in power. Then it will take some action that one of the parties does not like. That party will withdraw its support. The cabinet will be defeated and will have to resign. The result is that within the space of twenty months, from June 1932 to February 1934, six cabinets were defeated and thrown out of office. During the sixty-three years since the Third Republic was formed in France, there have been ninety-five cabinets.

Political Divisions

Coming back now to the issues in France, we find that two years ago the government was in the hands of a party called Radical Socialists. It was not what the name would seem to imply, however, because it is neither radical nor Socialistic. It is a party which may be compared roughly to the Democratic party in this country, or perhaps to the Progressive Republicans. The Socialists, who in France are very moderate Socialists, something like the British Labor party, were united with the Radical Socialists, and this combination had a majority in the Chamber of Deputies. More radical than either of these was the Communist party, which is fairly strong in France. It advises Communism such as is being tried out in Russia. On the opposite side there were a number of conservative parties, ranging from the mildly conservative to the extreme conservatives who demanded the abolition of the republic and the restoration of monarchy.

The Radical Socialists vacillated between a program of governmental spending and one of governmental economy. Every few weeks a cabinet would be voted down. When it was voted down, the prime minister could not dissolve the Chamber of

Deputies and have a new Chamber elected so as to see whether the people were supporting his policy or the majority of the Chamber. That sort of thing can be done in England. The British House of Commons, therefore, hesitates to vote a cabinet down, for such action may mean not merely the resignation of the prime minister and his cabinet, but the dissolving of the House of Commons itself, and the calling of a new election. Members of the House do not like to take action which may cause their terms to expire. In France, however, the Chamber of Deputies felt

it is a coalition it is far more conservative than the cabinet headed by the Radical Socialists. It is adopting the policy of cutting down government expenses and of keeping the government from interfering much with business. It is a government of economy. It is trying, thus far unsuccessfully, to increase foreign trade. It has tried unsuccessfully to increase farm prices by law. It has maintained the government credit by cutting down on borrowing. But the ravages of depression continue, and economic conditions are apparently growing worse.



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PARIS FROM A TOWER OF NOTRE DAME

little responsibility about voting a cabinet down, for such action, according to the French constitution, merely means that the cabinet must be changed.

The Doumergue Government

Finally the people became weary of these cabinet changes, which really meant very little. They were angry because the cabinet not only failed to take a decisive course in economic policy, but because there were serious scandals in the government. So mobs developed in Paris last February and revolution threatened. The rioters took things in their own hands and threatened to overthrow parliament itself. Drastic action was taken to check the revolution. A party truce was called. A cabinet was formed consisting of members of all the parties except the extremists. It was headed by Gaston Doumergue, a former president and premier who had retired to private life, and who had the confidence of most of the people. Since last February France has been governed by this coalition or combination of parties. While

Now parliament is coming into session again and the fate of the Doumergue coalition hangs in the balance. There is a strong feeling throughout France that the country is not being well governed. There are demands that a change be made in the old order. It is claimed that parliament does not represent the views or interests of the people. Members of parliament are said to be merely politicians, old men for the most part, who do not understand the nature of the present crisis; men who are more concerned with party politics than with the needs of the nation.

"New Deal" Demanded

There is a widespread lack of confidence not only in the present majority in parliament but in parliament itself. Many are advocating a new form of government. The idea of a parliament whose members are chosen not by territorial regions but by occupational groups is gaining headway. This plan reminds one of the Fascist scheme of things in Italy and it is attacked as a brand of Fascism, though its promot-

ers deny that they want an imitation of the Italian procedure.

One finds in France a number of organizations of young men who call for some kind of change, though they are not agreed upon a program. They are agreed only in dissatisfaction with the way things are going and with the men and parties who have been ruling the nation. The suspicion has been sharpened by evidence of widespread political corruption. Royalists, not numerous but noisy, are calling for the restoration of monarchy. Communists, fairly numerous as well as noisy, are working for the establishment of Communism on the Russian model. It will be hard to establish Communism in France, however, since it calls for a dictatorship of the proletariat, or laborers, whereas four-fifths of the population of France are peasants or shopkeepers, and as such are attached to property and capitalism.

When the Chamber of Deputies meets Doumergue will go before it with a plan for moderate constitutional reform. He wants to make the government more like the English. One reform which he advocates would give the premier power to dissolve parliament and call an election when the parliament votes him down. That is a feature of the English system. If an English prime minister is voted down by the House of Commons, he may merely resign. If, however, he thinks the people are with him rather than the House, he dissolves the House and calls an election. In France the premier has no course open to him except to resign. Doumergue thinks that if the English plan were adopted the French Chamber of Deputies would overthrow premiers less frequently and that the government would be more stable.

Proposals for Reform

Doumergue also asks for a rule which would prohibit parliament from authorizing expenditures not recommended in the budget submitted by the cabinet. He thinks this would check extravagance. Another proposal calls for a reform of the civil service. Government employees take a very active part in politics in France. Even the judges do. The Doumergue reforms call for a plan to make these employees non-political.

The French constitution may be changed rather easily. If an amendment is approved by both the Senate and the Chamber of Deputies, first by a separate vote of the two chambers, then by a joint vote, it becomes a part of the constitution. Will Doumergue get his constitutional reforms adopted? If so, will the people be satisfied or will the forces of discontent compel more violent changes; perhaps establishing some form of dictatorship? We must wait and see. There is even greater uncertainty as to what will happen if the reforms are turned down, as they may be.

A French political observer, Raoul de Roussy de Sales, writing for the *New York Times*, concludes an explanation of the French situation with this comment:

Parliament, when it convenes, will be surrounded by an atmosphere of distrust which may facilitate the difficult task of M. Doumergue in pushing through his program of reform. The parliamentary system is not yet dead in France. The problem of the moment is to find a workable compromise between the prerogatives of this body and the necessities of a crisis which require strong action and rapid action on the part of the executive.

To quote a philosophical observer, "What the French want today with great violence is a small change." This change they will achieve, undoubtedly, but whether it will happen through peaceful reform and adaptation or through a succession of more or less serious clashes remains to be seen.

China, of course, will be expected to indemnify Japan also for the typhoon in Osaka-Kyoto district. —*Dallas Morning News*

A syndicate writer on good grammar says that politics is singular. He'll never rank with Columbus as a discoverer. —*Detroit News*

Hooley Long and Phoebe Bilbo. —*Dallas Morning News*

Recovery—In the United States and Abroad

(Concluded from page 1, column 4)



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BUSINESS IN GREAT BRITAIN HAS PICKED UP

time. It is reasonable, then, that when we seek an answer to the question as to whether we are on the road to recovery, we should inquire into the state of things throughout the world. Are there evidences of a broad upward movement? What are the indications over the whole field of world industry?

About six weeks ago the Foreign Policy Association published a study it had made of world business trends. The authors of this report, after examining a mass of evidence, came to the conclusion that "Little doubt can remain regarding the existence of a world economic upswing of significant proportions." One very dependable indicator of the state of business is the total quantity of production. When more goods are being produced it is a good sign that conditions are improving. And production in nearly all the nations has been on the upgrade since the middle of 1932. At the end of 1933, says the Foreign Policy Association report, world industrial production had recovered forty per cent of the losses it had suffered from the prosperous period of 1929 to the depth of the depression. So far as production goes, therefore, the world, at the beginning of 1934 was two-fifths of the way back to "the good old days." There was a further increase early this year, followed by a decline during the summer. The rise is probably being resumed this fall.

Increasing Production

By March of this year six of the nine leading industrial nations had gone above the 1931 level of production, which shows that in quantity of output they were retracing the steps they had taken into the trough of depression; and three nations, Great Britain, Japan and Sweden, were producing more than they had been in 1928. These three nations were back to the pre-crash days. That does not mean as much as might at first appear, though, since the British were not getting along well in 1928. But it does mean that the dangerous crisis which developed in 1929 seems to have been largely overcome in certain of the nations. In the United States the relative increase in production has not been as great as in Britain, but it has been substantial. Our factories last spring were turning out nearly a third more than they had been producing in 1932, and slightly more than they had been making in either 1933 or 1931. We, too, appeared to be retracing our steps.

These production figures are gratifying. If factories everywhere are manufacturing more goods, does it not mean that more workers are being employed? Does not increased production, by banishing unemployment, bring back good times? Unfortunately the answer to that question is rather disquieting. One might suppose that if factories were producing forty per

cent more goods they would be employing forty per cent more laborers. But that is not the case. While world production is, indeed, up by forty per cent, the number of men employed is up but ten per cent. Labor-saving machinery has been introduced and, since laborers work with improved machinery, each one produces more, or at least the average output per worker is higher.

Unemployment Is Serious

So production rises without reducing unemployment much. And that is a very serious problem—one of the most alarming facts about the depression. Labor-saving machinery has been used before, but probably never before has its introduction been so swift. And heretofore there have been unsettled regions to which surplus labor, displaced by machines, could go. European workers have been free to migrate to the western hemisphere and other sparsely settled regions. We Americans have had our western frontier. Now the bars are going up everywhere against immigrants, and our own frontier is gone.

What this problem may amount to in the United States is indicated by the estimate that several million workers, probably five million, would still be unemployed in this country if production should go back to the 1929 level. Of course new industries will spring up as the automobile industry did a generation ago, giving work to men displaced by machines in other industries. Whether they will take up enough of the slack of unemployment to prevent crisis we do not know. Many economists doubt it.

If this does not happen and if increasing production does not give employment to our workers—if several million are still

left unemployed—the spurt in production is likely to be short lived. If men are out of work they and their families cannot buy very much. Widespread unemployment means lessened purchasing power in the country. It means curtailed demand for goods. If unemployment continues, while production increases, after a while more will be produced than the people can buy. That is what happened in 1929. It may happen again even before prosperity returns if employment does not keep pace with increasing production. And when more is being produced than people can buy, factories begin to shut down. Unemployment grows and we descend again into depression. So the fact that employment is not increasing as fast as production is a very serious matter.

Wages Not Advancing

The danger might be removed if the workers who were employed were getting higher wages. The use of improved machinery, of course, enables each worker to produce more. If, as his product increases, his wages should go up, he could buy more of the total product of industry. If wages in general went up in proportion to increased production per worker, then each worker could buy as large a proportion of the total supply of goods as before. Demand for goods would keep pace with production and there would be no crisis. The increased demand might even justify a greatly increased activity of factories so that all workers might be employed.

But wages are not increasing as fast as production is. That is not happening in the United States or elsewhere in the world. Wages are rising very little. Since then, purchasing power is not rising rapidly either through the employment of more

men or through the paying of higher wages to those employed, there is real danger that the spurt in production recently witnessed in all nations may turn out to be temporary.

Foreign Trade Lags

There is another interesting fact about the economic situation as we find it in the world today. While production is rising nearly everywhere, foreign trade is not. Nearly all of the governments have erected tariff walls and other barriers against the goods of neighboring peoples. International commerce is still at a low ebb. This has resulted in a temporary stimulation of business in certain countries. Great Britain, let us say, has been importing automobiles from the United States. Then she puts up a tariff wall which keeps our cars out. She must produce her own autos. To meet the demand British manufacturers must build new auto plants. This stimulates business. But after a while the plants have been built in sufficient number. Then the stimulation ceases. That is the sort of thing that has been happening in a number of countries. It is probable that the apparent advantage derived from the shutting off of foreign trade has about run its course.

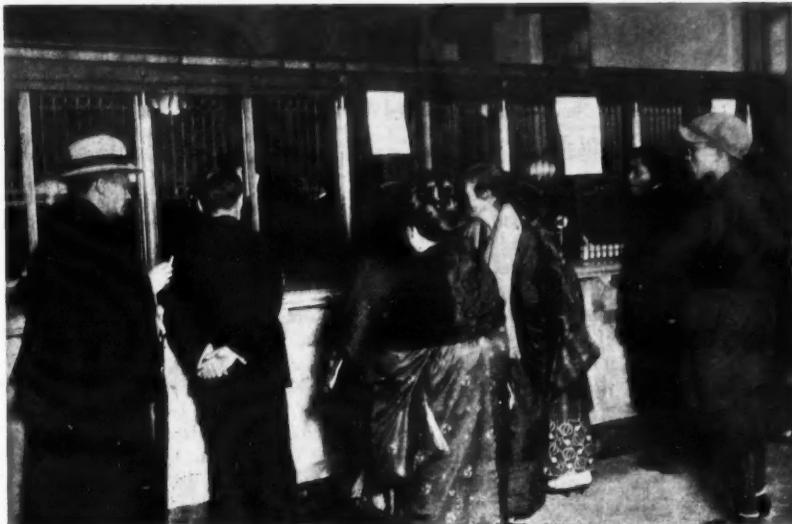
In several countries the business improvement has come largely from programs of government spending. That has happened, as we know, in the United States. And the great business activity in Japan comes in large part as a result of huge orders for munitions given by the Japanese government as a feature of its armament program. Of course business would be helped just as much if the Japanese were to engage in public building or other construction works. It comes not especially from the fact of munitions orders but from the fact of government spending.

Possibilities of Improvement

From such evidence as we can discover it appears that there has been substantial recovery both in the United States and the other industrial nations. Whether or not this recovery is sound and permanent is another matter. Possibly it is. There is reason to fear, however, that the foundations of the recent improvement are defective in several particulars. It seems likely that the establishment of real prosperity and stability at home and abroad cannot be accomplished until these two conditions are fulfilled:

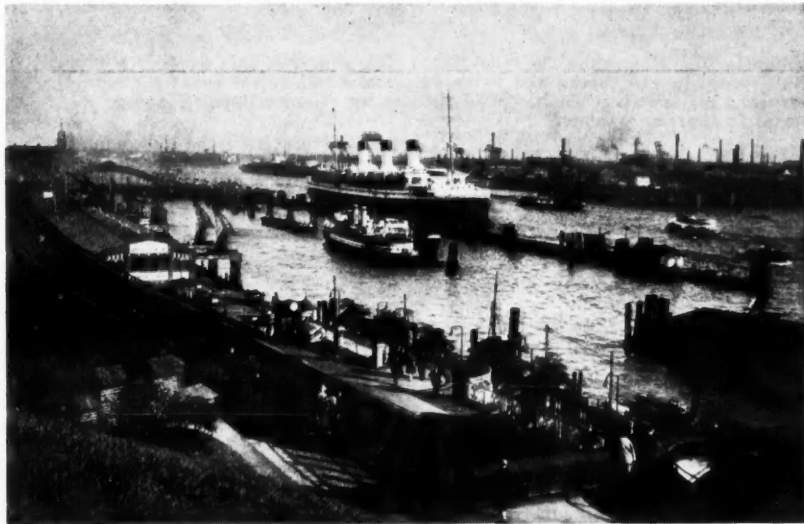
1. The breaking down of trade barriers so that commerce among the nations may be freely resumed.

2. The devising of a plan whereby wages may be raised as productive efficiency increases through the use of improved machinery. Then production will no longer outrun the demands of consumers, leading to recurring periods of business depression and possibly eventual chaos.



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AND JAPAN REPORTS AN INCREASE IN TRADE



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BUT GERMANY, WHILE THERE HAS BEEN SOME IMPROVEMENT, IS SUFFERING LARGELY BECAUSE OF THE CONTINUED DECLINE IN FOREIGN TRADE.



SOCIAL SCIENCE BACKGROUNDS

IT WAS back in 1824, more than thirty years before the outbreak of the Civil War and more than a century before the dawn of the New Deal, that the opening guns were fired in a battle which has raged vehemently ever since. In that year Congress was debating a tariff bill raising the duties on goods imported into this country. The members from the southern states

The early economic cleavage between the North and South

stood almost as a unit against the measure, sixty-four of the sixty-seven representatives and all but two of the senators voting against it. It was then, and not in the 1850's or even in 1832 when South Carolina voted to nullify the tariff act of that year, that the first rumblings of secession were heard in the South. From that day to this the South has been fighting a losing battle against an economic trend which has gained momentum with the passing of years—the trend toward an ever-higher protective tariff.

As we look back over the history of the last century, one fact of great significance stands clearly in the foreground. While the nation as a whole has soared to great heights of economic advancement, this progress has not been shared proportionately by all sections of the country. The most hasty glance at the statistics of wealth shows that the ten cotton-producing states of the South have lagged far behind the others in prosperity. Whether there is any relationship between this fact and the economic policy pursued by the government we shall not attempt now to decide. Let us first examine some of the concrete evidences of disparity.

THERE are ten of the so-called "cotton states": the two Carolinas, Georgia, Alabama, Tennessee, Mississippi, Louisiana, Arkansas, Oklahoma and Texas. Between a fourth and a fifth of the nation's population lives within their borders, and they make up between a fourth and a fifth of the total area of the country. Twelve years ago, when the Census Bureau made a survey of the wealth of the entire country, it estimated that only an eighth of it was in those ten states. The other thirty-eight states, with slightly more than three-fourths of the nation's population and area, possessed exactly seven-eighths of the total national wealth. Put another way, the per capita wealth of the rest of the country was more than double that of the ten cotton states, the former being \$3,313 and the latter \$1,635. That was in 1922. Since then, it is estimated, the southern states have fared even worse.

If we narrow the comparison to the farm population of the country, we find a similarly startling condition. While the ten states mentioned contain nearly half the farm population, 43.2 per cent, they received, during the five years from 1924 to 1928, only a little more than a quarter, 27.3 per cent, of the total farm income of the nation. The per capita farm income of the ten

Economic Nationalism and the South

By David S. Muzzey and Paul D. Miller

states was \$242 a year, compared with \$493 for the other thirty-eight states. And during the depression, the disequilibrium has been more accentuated, the income of the farmers of the South falling thirty-six per cent below the 1924-1928 level, compared with a decline of only fourteen per cent for the farmers of the other states.

What has been happening in the South during the last dozen years or so, therefore, has been a gradual economic decline and impoverishment. Owners of farm lands and tenant producers have fared equally badly. While other sections of the United States were soaring to dizzy heights of activity, the South was sinking lower and lower in the mire of economic decay.

WHEN conditions such as those we have just recited exist in one section of the country and not elsewhere, it is apparent that there must be a reason. Mr. Peter Molyneux, editor of the *Texas Weekly* and a man who has spent a good part of his life diagnosing the economic ills of the South, gives cogent reasons for this state of decline in a recent World Affairs pamphlet called "What Economic Nationalism Means to the South." Mr. Molyneux says:

Primary reasons for the existing disparity

The fundamental cause of the relative economic inferiority of the cotton states is not, directly or indirectly, any congenital inefficiency of their people. It is not the climate, or malaria, or hookworm, or pellagra, or anything of that kind. Some of these present real problems, but solution of these problems would be comparatively easy if the fundamental cause were removed. The fundamental cause may be stated in a sentence as follows: *For over a century more than half of the people of the cotton states have depended for a living, either directly or indirectly, on the production of export commodities, chiefly cotton, and have sold their products at a world price level, while residing in a high-tariff country in which a relatively high domestic price level has been artificially maintained.* (Our italics) This is not the whole story, to be sure, but it is fundamental. For the moment I state it merely as a fact, without argument. As I proceed I shall note other factors which have contributed to the South's economic inferiority. But even if none of those factors had been present, these two circumstances, (1) that the production of cotton for export has been the chief business of the people of the South for more than a hundred years, and (2) that during practically all that time the United States has maintained a high-tariff policy, would have resulted in a condition of relative economic inferiority for the people of the South.

The most important of these "other factors" is, according to Mr. Molyneux, the colonial character of the South's economic set-up. Its main activity, as he says, has been, and continues to be, the production of raw materials for export abroad. Such an economic system, in

order to work effectively, must have as a complementary feature either the importation from abroad of needed manufactured goods free from the fetters of tariff restrictions, or at least an accessible supply of such products at home at prices not artificially boosted and maintained by trade barriers.

UP to the Civil War, practically our entire cotton crop was exported abroad, about eighty per cent entering foreign trade and only twenty per cent used at home. In 1929, a greater percentage of the total cotton production was disposed of abroad

Importance of the export market

than any other commodity, 54.8 per cent in all. Throughout all these years and decades, the cotton grower of the South has sold his crop at the world price, unprotected, whereas everything he has bought has been at domestic prices protected by a high tariff. It can hardly be denied that this policy of boosting the price of everything the South has had to buy without effecting a corresponding increase in the price of the main commodity upon which its prosperity depends has constituted a perpetual drain upon the wealth of that section of the country. The net effect has been the same as that of a heavy tax levied upon the South.

Important as this problem has been in the past and is at present, for that matter, its future implications are even more serious. Today the world is moving rapidly toward national self-sufficiency, each nation attempting to become as independent, economically, of the outside world as possible. This drift toward economic nationalism has caused the League of Nations to issue a warning that a continuation of the present trend means inevitably a lower standard of living throughout the world. Should our own country go entirely over to economic nationalism—and it has already gone a long way in that direction—the effects upon the South would be catastrophic.

A HINT of the effects of complete economic isolation from the rest of the world was given by Secretary of Agriculture Wallace in his recent pamphlet, "America Must Choose." In it Mr. Wallace declared that we must

Secretary Wallace tells the price of economic nationalism

prepare to take permanently out of production millions of acres now used to produce cotton if we accept the closed economy program. This would mean that a large part of the population of the southern states would have to be shifted elsewhere as there are no other opportunities in that section to gain a livelihood.

A year ago it seemed that such a situation might develop as the Roosevelt administration gave every evidence of nationalistic inclinations. But more recently, and largely through the persistent efforts of Secretary Hull, the government has been devoting increasing attention to our foreign commerce and a serious attempt to open the now clogged channels of world trade appears to be in prospect.

Glimpses of the Past

One Hundred Years Ago This Week

Daniel Webster spoke at a Whig convention in New Hampshire the other day, charging the Jackson administration with destroying the checks and balances of the Constitution. Loud applause interrupted his speech when he called the Constitution "the nearest approach of mortal to supreme wisdom."

The postmaster general refuses to give any information to the Senate committee which is investigating the department. A political appointee absconded with postal receipts amounting to a large sum, and the postmaster general refuses to comment on the matter or give any aid in catching the man.

A tonnage duty war is on between Spain and the United States. Spain has imposed a heavy duty on American flour entering Cuba, and this country has retaliated with an increased tonnage duty on all Spanish ships from Cuba docking in American ports.

A Grand Council of Indian tribes is being held in Arkansas. The Pawnees, recently at war with all the other tribes, have signed a peace treaty and invite Indians from the other nations to visit them.

A Philadelphia newspaper publishes the news that the Spanish Inquisition was formally abolished last July. During the fourteen years that the Inquisition lasted, 80,000 people were tried and tortured, and 6,000 of these were executed.

"Old Ironsides" is on exhibition at a New York dock. The famous ship is very popular with sightseers.

International debts are the subject of parliamentary discussion in quite a

few countries this week. The United States would like to collect from France, and a number of countries, notably France and Belgium, would like to see the color of some Spanish money.

Ministers from the sultan of Turkey are in Paris and London, attempting to win support against threatened invasions from Russia and Egypt. The sultan believes that a public statement by France and England would be highly effective in scaring off the Russians and Egyptians.

The northern provinces of Spain are in a state of civil war, and much fighting is going on.

London proprietors are complaining that the "police rates" are too high. This is the name of the tax they pay for police protection, the amount of the tax being apportioned on the value of the business. They claim that they have to pay more in taxes than the protection is worth.

The London "Times" says it tries to avoid "reference to the newspapers of Germany, the gagged press and intricate politics of that country," making them an unreliable news source.

To prevent accidents at railroad crossings, gates are being put up in many localities. The bar blocks the railroad track ordinarily; when the watchman sees a train coming, he moves the bar to block the highway. The Boston "Advertiser" says, "We have lately seen an instance of a person in a chaise wantonly running the hazard of crossing the railroad as he saw the train of cars approaching."